

Committee on Resources

Witness Testimony

Testimony on
the Effects of International Forestry Agreements
on Forest Service Decision Making
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I would like to begin by thanking the committee for the opportunity to give my testimony today. AF&PA was a participant in the Earth Summit and has since been actively engaged in forest policy discussions in organizations such as the Commission on Sustainable Development's Intergovernmental Panel on Forests, the Montreal Criteria and Indicators Process, and the International Tropical Timber Organization (ITTO). We have enjoyed a very positive working relationship with the Forest Service, State Department, and other agencies which serve to solicit and coordinate U.S. input into various fora. What I would like to address today is the issue of how these discussions have the potential to affect forest management domestically and how this relates to the competitiveness of our industry.

The forest products industry employs 1.6 million people, accounts for 7% of the U.S. manufacturing output, and has facilities in all fifty states. This industry is a significant part of the U.S. economy in large part because as a nation we are second to no other in our commitment to sound forest management. This industry has been able to operate and grow in a country which has 7% of the world's forests and 25% of the world's protected forests. We operate under a fully mature -- and in some cases outdated and conflicting -- regulatory system governing forest practices. The U.S. has over a dozen federal laws and regulations, and even more state and local restrictions affecting the practice of forestry. There are also federal and state education and training programs, a private sector code of conduct through the Sustainable Forestry Initiatives, and programs such as Tree Farm and industry landowner assistance programs which reach out to the over 10 million private non-industrial forest landowners in the U.S. We firmly believe and have clearly demonstrated that respect and stewardship of the resource is compatible with economic gain. However, we operate in a global economy and we must remain competitive if we are to sustain our industry and the forests in the U.S.

Focus on the Problem Areas

As we consider international forest policy discussions, it is very important that we maintain proper perspective regarding the evolution of the issues and institutions designed to address them. Much of the increased international focus on forestry issues has arisen due to concern for tropical deforestation. This is a serious problem that the international community needs to address. While we support U.S. government and non-government organization involvement in the intergovernmental dialogue we believe that international

debate should continue to maintain its primary focus on those countries that due to economic and social constraints face serious hurdles to achieving sustainable forest management. Scarce international resources should not be wasted trying to change practices in countries with a demonstrated commitment to sustainable forestry, they should be targeted to the real problem areas.

Focus on U.S. Competitiveness

From a U.S. perspective, we must consider all of these issues in the context of the industry's global competitiveness. Our members do not operate in a vacuum, but conduct business in a highly competitive, global economy. Many of our competitors are located in countries that have very little if any regulatory oversight over forest management. One of the primary goals of our involvement in these intergovernmental fora should be to raise the standard of forest management practices to be comparable with those in the U.S. One of the primary means to achieve this is through promoting increased investment, and working to eliminate tariff and non-tariff barriers to trade. If we fail to do this, and instead focus on countries with evolved institutions and oversight over forests, we not only risk placing domestic industry at a competitive disadvantage, but we likely further exacerbate environmental problems by shifting demand for fiber to less regulated and therefore less costly regions of operation.

Improve Forest Inventories

I would also like to spend time to note several very positive outcomes from these policies discussions. One of the biggest successes of the intergovernmental policy dialogue has been to develop a common framework of Criteria & Indicators (C&I) to assess trends in forest health, inventory, and management. AF&PA has long promoted the need for better forest inventory through the U.S. Forest Service's Forest Inventory and Analysis (FIA). Uneven and unreliable FIA reporting cycles have yielded inadequate information on the health and productivity of private forest land in the U.S., and virtually no information regarding public lands. It is our hope that the Montreal Process will offer a framework and catalyst for the Forest Service to re-evaluate the priority and resources given to inventory. We appreciate the Forest Service's role in this process internationally and are encouraged by the Chief's recent letter to the National Association of State Foresters which outlines ideas for incorporation of the C&I into Forest Service decision making processes. We hope that tools like the C&I will help at a domestic level to evaluate, identify and address problems such as the current forest health crisis we face in the U.S.

Protect U.S. Sovereignty

We also believe that these discussions should recognize U.S. sovereignty. There is a clear distinction between gathering information and prescribing solutions. Each country will have a different approach to sustainable forest management which takes into account its unique social, political, and regulatory structure. Given a system of basic property rights, we should encourage countries to work within existing frameworks to develop efficient and effective means to promote economic development and resource conservation.

It is also important that the U.S. government not seek to prescribe solutions internationally that we ourselves are unable to adopt or which would put our domestic industry at a competitive disadvantage. The World Bank's endorsement of certification, and the ITTO's consideration of projects which fund development and promotion of eco-labels are clear examples of where governments are promoting and subsidizing what are designed to be market based instruments. If this World Bank program was forced on the U.S., the U.S. forest products companies which procure over 60% of their fiber from over 100 million private non-industrial landowners could not economically comply with the chain of custody requirements and would be

placed at a competitive disadvantage in the environmental marketing arena. Government funding of these schemes is a blatant distortion of the free market system and clearly an inappropriate role for the U.S. government funds.

In conclusion Madame Chairman, I would like to reiterate my support of the Forest Service's and State Department's participation in these discussions and we hope that they continue to play an active role in the international policy dialogue. The involvement of the Forest Service, with its expertise and background in domestic forestry issues, is particularly valuable in these discussions as we must always consider how international issues relate to domestic resource management - on both public and private lands. Our industry's competitiveness depends on it. Together, we must all be vigilant and focus on problem areas where we are able to make the most gains toward our common goal of conservation and sustainable development. Thank you.

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